

DEPARTMENT OF STATE REVENUE

**LETTER OF FINDINGS NUMBER: 02-0483P
Adjusted Gross and Supplemental Net Income Tax
For Fiscal Year Ended September 30, 2001**

NOTICE: Under IC 4-22-7-7, this document is required to be published in the Indiana Register and is effective on its date of publication. It shall remain in effect until the date it is superseded or deleted by the publication of a new document in the Indiana Register. The publication of this document will provide the general public with information about the Department's official position concerning a specific issue.

ISSUE(S)

I. Tax Administration – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer protests the penalty assessed for the late payment of its income tax. The due date of the return was January 15, 2002. Taxpayer filed its return late on July 12, 2002 with payment of approximately thirty-seven percent (37%) of its tax liability.

Taxpayer filed a penalty protest letter dated September 9, 2002.

I. Tax Administration – Penalty

DISCUSSION

Taxpayer protests the penalty assessed and states that its Indiana gross income tax increased by \$10,697 from the prior year due to an increase in sales. Taxpayer further states that its office (out of state) processes estimated tax payments for approximately 400 returns, and at the time extension requests were made, it did not have all necessary accounting data available for the current year. It uses the prior year's information as its estimate because of the volume of returns being processed. The Indiana sales nearly doubled from the prior year, which is the direct cause for the additional tax due at the time the returns were filed.

Taxpayer did not make full payment by the original due date of the return. Approximately thirty-seven percent of the tax due was paid on July 12, 2002 or after the due date of the return. An extension to file is not an extension for payment.

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Taxpayer has not provided reasonable cause to allow the Department to waive the penalty.

FINDING

Taxpayer's protest is denied.

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